

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2962
ANSWERED ON:22.12.2003
PRICES OF ORDINARY STEEL ROUND
RAVINDRA KUMAR PANDEY

Will the Minister of STEEL be pleased to state:

- (a) whether the prices of ordinary steel round used by large number of industrial units in the country has gone up from Rs. 15,000/- per M.T. to Rs. 23,000/- per M.T. during the last four months;
- (b) if so, the reasons therefor;
- (c) whether the steel is exported 30 to 40 percent cheaper than the domestic steel prices;
- (d) if so, whether the Government is also giving them 20% export incentive from its exchequer; and
- (e) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

- (a) The domestic price movement from August 2003 to November 2003 in respect of steel Rounds, 12 mm/16 mm (ordinary) as observed in the Mumbai market, the most representative one, does not indicate such an increase in prices. Prices have decreased from the levels attained during August, 2003.
- (b) Does not arise in view of (a) above.
- (c) Comparison of domestic prices with the Freight on Board (FOB) prices of exports is not justifiable. The FOB prices are always lower than the domestic market prices because these prices do not include the various add-ons such as customs/excise duties, transportation costs and other sundry levies. The importer of Indian steel pay a higher price than the FOB price - the difference being equal to the customs duty, the transportation charges to the user and any other indirect taxes levied on steel in that country.
- (d) & (e): The Government does not provide any specific export incentives to the steel sector other than those which are generally available to exporters under duty remission/exemption schemes etc. of the Exim Policy.